Iron Acton Parish Council

Budget and Precept Report 2026/27

Report to: Full Council
Agenda item: Budget and Precept 2026/27
Author: Clerk to the Council

1. Purpose of the report

To present the proposed revenue budget and parish precept for the financial year 2026/27, to explain the financial assumptions used in setting the budget, and to enable Council to approve the budget and formally set the parish precept.

2. Background and financial context

The Council is required to set an annual budget and precept sufficient to meet its estimated expenditure for the forthcoming financial year.

In preparing the 2026/27 budget, the Council has taken account of:

- Ongoing operational and contractual commitments
- Inflationary pressures affecting staffing, services, and maintenance
- Planned works and asset-related expenditure
- The need to maintain financial resilience and sustainability

The budget has been prepared on a prudent and transparent basis, avoiding reliance on uncertain or restricted income streams.

3. Budgeting principles

The following principles have guided the preparation of the 2026/27 budget:

- The revenue budget is fully funded from recurring income, primarily the parish precept
- Community Infrastructure Levy is excluded from the revenue budget, as it is subject to separate legal restrictions and must not be used to support day-to-day expenditure
- No transfer from general or earmarked reserves is required to balance the revenue budget
- Expenditure reflects statutory responsibilities, service continuity, and planned priorities

In setting the 2026/27 budget, the Council has made prudent assumptions regarding inflation, contractual uplifts, and service costs, based on information available at the time of preparation. Where costs are variable, reasonable provision has been included within individual budget headings to mitigate financial risk during the year.

4. Revenue budget summary 2026/27

The proposed revenue budget for 2026/27 is:

- **Total revenue income:** £99,994
- **Total revenue expenditure:** £99,994
- **Net position:** Balanced budget (nil surplus/deficit)

The budget is balanced without reliance on Community Infrastructure Levy, grant income, interest income, or reserves.

5. Revenue income assumptions

Revenue income for 2026/27 is summarised below:

Income source	**£**
Parish precept	**97,094**
VAT reclaim	2,500
Allotment income	50
Cemetery income	350
Total revenue income	**99,994**

Community Infrastructure Levy receipts are accounted for separately and are not included within the revenue budget.

6. Revenue expenditure overview

The budget provides for the Council's staffing, administration, and service delivery responsibilities.

Staffing and administration

- Staff salary and on-costs: £26,000
- Professional fees: £3,800
- Audit fees: £600
- Insurance: £1,600
- Subscriptions and memberships: £1,400

Services, maintenance, and assets

- Parish maintenance: £18,000
- Trees and Chilwood: £6,000
- Engine Common woodland: £5,000
- Capital projects / land / assets: £15,000
- Meadows capital projects: £5,000
- Multi-Use Games Area provision: £3,000

These allocations ensure continuity of service delivery and planned investment in parish assets.

7. Council tax base and precept

The indicative council tax base for Iron Acton for 2026/27 is 754.0 Band D equivalent properties, compared with 741.0 in 2025/26.

The proposed parish precept for 2026/27 is **£**97,094, compared with £91,540 in 2025/26, representing:

- A cash increase of £5,554
- A 6.07% increase in the precept

8. Impact on parish council tax

Based on the indicative tax base:

- **Band D charge 2025/26:** £123.54
- **Band D charge 2026/27: £128.19**

This represents an increase of:

- **£4.65 per year**, equivalent to approximately **9 pence per week**
- **3.76%**, reflecting the moderating effect of tax base growth

9. Reserves and financial resilience

The 2026/27 revenue budget has been set without planned transfers to or from reserves, ensuring that recurring expenditure is funded from recurring income.

The Council has reviewed its reserves position alongside the budget and is satisfied that reserves remain adequate and appropriate to meet foreseeable risks, support cash flow, and provide resilience against unexpected expenditure. Reserves will continue to be managed in accordance with the Council's financial regulations and reviewed as part of the ongoing budget monitoring process.

10. Recommendation

Council is recommended to:

1. Approve the revenue budget for the financial year 2026/27
2. Set the parish precept at £97,094
3. Note that the budget is balanced without reliance on Community Infrastructure Levy or reserves
4. Note that the resulting Band D parish council tax for 2026/27 will be £128.19

Audit and Governance Assurance

The Council confirms that:

- The 2026/27 revenue budget has been prepared in accordance with proper accounting practices and reflects a prudent assessment of income and expenditure
- Community Infrastructure Levy has been excluded from the revenue budget and is accounted for separately in accordance with statutory restrictions
- The budget is balanced without the use of reserves to fund recurring expenditure
- Adequate provision has been made for known commitments, risk management, and service continuity
- The Council has had due regard to financial sustainability, value for money, and affordability for residents

The Council is therefore satisfied that the 2026/27 budget and precept are robust, compliant, and sustainable, and suitable for approval.